

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:806

ANSWERED ON:01.03.2016

Closure of Loss Making CPSEs

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Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the names of Central Public Sector Enterprises (CPSEs) which are incurring losses regularly; (b) whether the Government had decided to disinvest or close down Central Public Sector Enterprises (CPSEs) which are incurring losses regularly; (c) if so, the details thereof and the time by which final decision is likely to be taken in this regard; (d) whether the Government has given financial assistance/package for closure of unviable units of HMT recently and if so, the details thereof; and (e) whether the Government has also approved Voluntary Retirement Scheme (VRS) to the employees of such CPSEs including HMT and if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI G.M. SIDDESHWARA)

(a): The following Central Public Sector Enterprises (CPSEs) under Department of Heavy Industry (DHI) are incurring losses regularly over the last three years:

- (i) Hindustan Cables Ltd;
- (ii) Hindustan Newsprint Ltd;
- (iii) Hindustan Papers Ltd;
- (iv) Hindustan Photo Films & Manufacturing Ltd;
- (v) HMT (Bearings) Ltd;
- (vi) HMT (Chinar Watches) Ltd;
- (vii) HMT (Watches) Ltd;
- (viii) HMT (Machine Tools) Ltd;
- (ix) Bharat Heavy Electricals Ltd - Electrical Machineries Ltd;
- (x) Bharat Pumps & Compressors Ltd;
- (xi) Instrumentations Ltd;
- (xii) Nagaland Pulp & Paper Company Ltd;
- (xiii) Richardson & Cruddas Ltd;
- (xiv) Triveni Structurals Ltd;
- (xv) Tungabhadra Steel Products Ltd;
- (xvi) Tyre Corporation of India Ltd.

In addition to above the following CPSEs have gone into losses in the last financial year i.e. 2014-15:

- (i) HMT Ltd;
- (ii) NEPA Ltd;
- (iii) Heavy Engineering Corporation Ltd;

(b) to (e): Department of Disinvestment has informed that they are, at present not considering any proposal for disinvestment of any loss making CPSE under DHI.

However, DHI has been undertaking appraisals of each loss making CPSE to assess the prospects of revival. As a part of this exercise, the loss making CPSEs having the potential of turn around are revived and those found chronically sick are disinvested or closed down after payment of due compensation to employees.

Accordingly, a decision has been taken to close down the five chronically sick CPSEs namely Tungabhadra Steel Products Ltd. (TSPL), HMT Watches Ltd., HMT Chinar Watches Ltd., HMT Bearings Ltd. and Hindustan Cables Ltd (HCL).

CCEA in its meeting on 6th January, 2016 approved the closure of HMT Watches Ltd., HMT Chinar Watches Ltd. and HMT Bearings Ltd. by offering attractive VRS/VSS to its employees and disposal of movable and immovable properties as per Government policy.

The total requirement of cash assistance for implementing the decision of closure of three HMT subsidiary companies viz. HMT Watches Ltd, HMT Chinar Watches Ltd and HMT Bearings Ltd would be Rs. 427.48 crores. As per the CCEA approval, all the employees of the three HMT Subsidiaries would be offered attractive VRS package on 2007 notional pay scales with gratuity and leave encashment also at 2007 notional pay scales, in relaxation of DPE guidelines.
